

ATTORNEYS AT LAW

100 Summer Street Boston, Massachusetts 02110-2131 (617) 345-1000 Fax: (617) 345-1300

Robert L. Dewees, Jr.
Direct Dial: (617) 345-1316
Direct Fax: (866) 947-1870
E-Mail: rdewees@nixonpeabody.com

May 30, 2006

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-42

Dear Ms. Cottrell:

Enclosed for filing in the above-referenced docket are Bay State Gas Company's responses to the following Information Requests:

DTE 1-9	AG 2-5	AG 2-9
DTE 1-1	AG 2-1	AG 2-7
DTE 1-10	AG 2-6	AG 2-10
DTE 1-16	AG 2-8	
DTE 1-18		

If you have any questions, please do not hesitate to call me at 617-345-1316.

Very truly yours,

Robert L. Dewees, Jr.

Mut 1. Danes of

Enclosure

cc: John J. Geary, Hearing Officer (3 copies)

Jamie M. Tosches, Esq., Assistant Attorney General (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Kofitse, Analyst, Gas Division (1 copy)

Kenneth Dell Orto, Analyst, Gas Division (1 copy)

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE DEPARTMENT D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

- DTE 1-9 For each long-term gas supply and transportation capacity contract and storage contract in the Company's gas supply portfolio, please provide, in a tabular form, the following information:
 - (a) date the contract was entered into;
 - (b) the duration and date of expiration of the contract;
 - (c) the date that the contract was filed for Department review;
 - (d) docket number;
 - (e) the date the Department issued a decision

Response: See Attachment DTE 1-9.

Bay State Gas Resource Contract Summary

Fi	rm	Tra	ns	DO	rtation	
----	----	-----	----	----	---------	--

Pipeline	Contract	Rate Schedule	Contract Term	Source of Gas	MDQ	DTE Docket
Algonquin	93001EC	AFT-1(F-1/WS-1)	06/01/93 - 10/31/12	Storage	15,263	DTE 94-16
Algonquin	93001EC	AFT-1(F-1/WS-1)	06/01/93 - 10/31/12	Gulf Coast	36,369	DTE 94-16
Algonquin	93201AC	AFT-1 (F-2 & F-3)	06/01/93 - 10/31/12	Gulf Coast	5,489	DTE 94-16
Algonquin	93401	AFT-1 (F-4)	06/01/93 - 10/31/12	Gulf Coast	5,690	DTE 94-16
Algonquin	93001F	AFT-1 (AFT-2)	11/01/93 - 10/31/12	Storage or Chicago	18,520	DTE 94-16
Algonquin	94501	AFT-1 (AFT-5)	11/01/94 - 10/31/14	Storage	14,758	DTE 94-16
Algonquin	510066	AFT-1(H)	11/01/03 - 10/31/13	Eastern Canada	20,000	DTE 03-37
Granite	93101F	FT-NN	11/01/00 - 10/31/07	Canada	40,600	DTE 00-52
Granite	93102F	FT-1	11/01/93 - 10/31/07	Gulf Coast	21,400	DTE 94-16
Iroquois	R182001	RTS-1	11/01/92 - 10/31/12	Storage	28,507	DTE 94-16
National Fuel	N10670	FST	04/01/06 - 03/31/07	Storage	10,000	N/A
PNGTS	1997-001	F	04/01/99 - 03/31/19	Western Canada	4,900	DTE 00-99
PNGTS	1997-002	Negotiated FT	04/01/99 - 03/31/19	Western Canada	25,600	DTE 00-99
PNGTS	1997-002	Negotiated FT	04/01/99 - 03/31/19	Michigan Storage	15,000	DTE 00-99
Texas Eastern	800462	CDS	09/01/94 - 10/31/12	Gulf Coast	36,369	DTE 94-16
Texas Eastern	800414	CDS	09/01/94 - 10/31/12	Storage	1,056	DTE 94-16
Texas Eastern	800382	FT-1	11/01/93 - 10/31/09	Storage	4,235	DTE 94-16
Tennessee	39741	FT-A	11/01/93 - 03/31/10	Western Canada	4,081	DTE 94-16
Tennessee	5291	FT-A	11/01/93 - 03/31/10	Western Canada	6,171	DTE 94-16
Tennessee	5293	FT-A	11/01/93 ~ 10/31/08	Storage	12,547	DTE 94-16
Tennessee	5196	FT-A	11/01/93 - 03/31/09	Storage	15,375	DTE 94-16
Tennessee	5173	FT-A	11/01/93 - 10/31/08	Gulf Coast	12,748	DTE 94-16
Tennessee	41098	FT-A	08/01/94 - 10/31/12	Storage or Chicago	18,733	DTE 94-16
Tennessee	46313	FT-A	11/01/93 - 02/13/12	Storage or Chicago	6,170	DTE 94-16
Tennessee	31855	NET 284	08/01/94 - 10/31/12	Storage or Chicago	9,774	DTE 94-16
Tennessee	42427	FT-A	10/01/05 - 10/31/15	East/West Canada	17,000	DTE 03-79
Transco	6548	FT	11/01/93 - 06/01/08	Gulf Coast	1,254	DTE 94-16
TransCanada	NA	FT	10/01/06 - 10/31/16	Storage or Chicago	26,063	DTE 05-48
Union	NA	M12	10/01/06 - 10/31/17	Storage or Chicago	26,352	DTE 05-48
Underground S	<u>torage</u>				MDWQ	
Dominion	600002	GSS-TE	10/01/93 - 03/31/11	Gulf Coast	14,758	DTE 94-16
National Fuel	O10669	FSS	04/01/06 - 03/31/07	Gulf Coast	10,000	N/A
Texas Eastern	400502	FSS-1	09/01/94 - 04/30/12	Gulf Coast	1,056	DTE 94-16
Texas Eastern	400193	SS-1	09/01/94 - 04/30/13	Gulf Coast	22,819	DTE 94-16
Tennessee	5178	FS-MA	12/01/94 - 10/31/08	Gulf Coast	19,755	DTE 94-16
On-System						
LNG	NA	NA		Local	119,000	NA
Propane	NA	NA		Local	60,000	NA
Long Term Sup	plies					
DEM	NA	NA	11/01/91 - 10/31/06	Western Canada	4,900	DTE 94-16
BP BP	NA	NA	04/01/05 - 03/31/07	Western Canada	10,471	DTE 04-111
·	* ** 1	4 94 6			, ,	

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE DEPARTMENT D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

DTE 1-1

Please discuss in detail how and to what extent Bay State's acquisition by NiSource has improved the Company's integrated resource planning process and the provision of reliable and least-cost service to its customers.

Response:

The Company's integrated resource planning process and its ability to continue to provide reliable and least cost service to its customers has been enhanced by NiSource's acquisition through Increased and timely market/trading hub intelligence at points not previously accessible or traded by the Company. As infrastructure is built, and as markets mature, new supply sources become viable alternatives to traditional supply basins, creating long-term gas supply options at liquid trading points that offer competitively priced supply and services. Timely market information allows the Company to recognize opportunities and to compete for, and successfully acquire competitively priced supply, storage and transportation services. This creates negotiating leverage, and ultimately creates portfolio diversity, which increases the potential for supply reliability. For example, the Company experienced minimal supply disruptions in spite of hurricane disruptions last year.

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE DEPARTMENT D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

DTE 1-10 Please discuss the extent to which Bay State has analyzed the impact of permanent or long-term release of long-haul capacity. Please submit a copy of each analysis and a summary of the results. If the Company has not developed such an analysis, please discuss the reasons for not doing so.

Response: The Company permanently released 45,000 Dth/day of Tennessee long-haul capacity in 1998 in exchange for a 3 year peaking contract. The Company did so in order to better tailor its portfolio to its customers' load profiles as a result of retail unbundling.

Bay State has not considered permanently releasing any additional long-haul capacity in order to maintain supply basin diversity and to continue to meet its customers design day requirements.

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE DEPARTMENT D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

- DTE 1-16 (a) Please explain whether the Company has used any risk management tools, financial or physical, in the past five (5) years to mitigate gas price volatility? If the answer is in the affirmative, how successful were they?
 - (b) If the answer to (a) is negative, please explain why, highlighting any problems and/or difficulties in the use of risk management tools.
 - (c) Does Bay State plan to use any risk management tools in the next five (5) years to reduce gas price volatility? If the answer is in the affirmative, please explain Bay State's choice of risk management tools. If the answer is negative, please explain why.
- Response: (a) The Company has not used any price risk management tools in the past five (5) years
 - (b) The Company has not filed for approval by the Department, any request for approval to utilize price risk management tools in the past five years. The Company did file for approval of a Price Risk Management Program with the Department in 1998 but subsequently withdrew the filing.
 - (c) Yes. Bay State will most likely file a request with the Department to utilize financial futures contracts in order to hedge a portion of its purchased supply within the next five years.

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE DEPARTMENT D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

- DTE 1-18 Please provide figures showing the load reductions resulting from the implementation of the Company's demand-side management and other conservation programs in the past five (5) years by customer class.
 - (a) How much of the forecasted increases in demand in the next five (5) years can be met with demand-side management programs.
 - (b) Please compare the costs and environmental impacts of demand-side management, relative to meeting demand with increased levels of other resources.

Response:

Please see Attachment DTE 1-18. Historical reductions are cumulative since 1993 whereas, forecasted reductions are specific to the year listed.

- (a) The forecasted increases in demand in each of the next five (5) years would have been higher by the annual reduction in load associated with demand-side management programs presented in Attachment DTE 1-18. This annual load reduction essentially meets an increase in demand that the Company would have otherwise forecast.
- (b) Pursuant to the Company's latest five-year Energy Efficiency Program Plan in D.T.E. 04-39, the Department approved, on September 13, 2004, the Company's 5-year plan as an appropriate and cost-effective resource in meeting customer demands.

Attachment DTE 1-18

Year	Year Annual Load Reduction*			Forecasted Load	Reduction**
	[Th	nerms]		Year	[Therms]
	Residential	Commercial	Total		
2001	5,394,800	9,224,180	14,620,981	2006	1,054,224
2002	5,952,816	10,143,201	16,098,019	2007	1,054,224
2003	7,071,992	11,958,392	19,032,387	2008	1,054,224
2004	7,087,154	12,182,051	19,271,209	2009	1,054,224
2005	7,109,075	12,661,135	19,772,216	2010	1,054,224

^{*}CUMMULATIVE realized load reductions for all energy efficiency measures installed since 1993 and not yet reached end of useful life

^{**}Assumes annual program savings goal discounted by 50% to account for realization, expiring measures, fluctuation in market factors, and weather

RESPONSE OF BAY STATE GAS COMPANY TO INFORMATION REQUESTS FROM THE ATTORNEY GENERAL D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG 2-5 Please provide copies of all agreements between the Company and Vector and/or DTE Energy and any affiliate of these companies. Include the original agreements and all amendments.

Response: Please see Attachment AG 2-5 (a), (b), (c), (d) and (e).

TRANSPORTATION AGREEMENT FOR LIMITED FIRM TRANSPORTATION (FT-L) OF NATURAL GAS VECTOR PIPELINE L.P.

Firm Transportation Agreement No. FTL-BAY-0003

This TRANSPORTATION AGREEMENT FOR LIMITED FIRM TRANSPORTATION OF NATURAL GAS ("Limited Firm Transportation Agreement" or "Agreement") is made and entered into this 14th day of February, 2006, between:

VECTOR PIPELINE L.P., ("Transporter"),

and

BAY STATE GAS COMPANY, ("Shipper")

WITNESSETH: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Rate Schedule FT-L and the applicable General Terms and Conditions of Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission") as the same may be amended or superseded in accordance with the Rules and Regulations of the Commission.

Section 2. Representations and Warranties

- 2.1 Representations and Warranties of Transporter: Transporter represents and warrants that: (i) it is duly organized and validly existing under the laws of the State of Delaware and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions thereof; (ii) this Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; (iii) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court of authorities that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Agreement; and (iv) the execution and delivery by Transporter of this Agreement has been duly authorized by all requisite partnership action.
- 2.2 Representations and Warranties of Shipper: Shipper represents and warrants that: (i) it is duly organized and validly existing under the laws of

the State of Massachusetts and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions hereof; (ii) there are no actions, suits or proceedings pending, or to Shipper's knowledge, threatened against or affecting Shipper before any court or authorities that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Agreement; and (iii) the execution and delivery by Shipper of this Agreement has been duly authorized by all requisite corporate action.

Section 3. Term

- 3.1 This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on November 1, 2006 for a term of 5 months, unless otherwise agreed by mutual agreement of the parties.
- 3.2 Shippers paying negotiated rates may extend the term of this Agreement under terms acceptable to Transporter.

Section 4. Rates

Shipper shall pay the Recourse Rates in accordance with Transporter's currently effective Rate Schedule FT-L.

Section 5. Notices

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Transporter's Web Site, or to:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President Fax: (734) 462-0231

2

Notices to Shipper under this Agreement shall be addressed to:

Bay State Gas Company 1500 165th Street - GOC Hammond, IN 46324

Attention: Manager, Scheduling and Accounting

Phone: (219) 853-4320 Fax: (219) 853-4330

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline L.P." and shall be sent to the following bank and account number:

Vector Pipeline L.P. LaSalle Bank N.A. Chicago, IL Account Number: 5800233859 ABA Number: 071000505

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President

Section 6. Superseded Agreements

This Agreement supersedes and cancels as of the effective date hereof the following agreements: None.

Section 7. Miscellaneous

- 7.1 This Agreement shall be interpreted according to the laws of the State of Michigan.
- 7.2 Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or

3 FTL-BAY-0003

regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

7.3 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

This Agreement may only be amended by an instrument in writing executed by both parties hereto.

Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

- 7.6 Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.
- 7.7 The parties hereby agree, subject to the primary jurisdiction of the Commission, that any dispute arising out of or relating to this Agreement. or any breach thereof shall be submitted to final and binding arbitration in Detroit, Michigan, in accordance with the Rules of Commercial Arbitration of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect

documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of the State of Michigan, as specified in section 7.1 of this Agreement.

Section 8. Negotiable Terms

Transporter and Shipper mutually agree to the following terms and conditions of service under this Agreement. Where blank spaces are not filled in, the parties have not reached an agreement on that matter and the referenced provision of the General Terms and Conditions (GT&C) applies.

The delivery pressure terms in GT&C section 15.2 are modified such that all Gas delivered by Transporter to Shipper or on Shipper's behalf to the facilities of an interconnecting party shall be delivered at the Delivery Point(s) at no less than ___ psig or at no more than ___ psig for each enumerated Delivery Point.

Pursuant to GT&C section 27, the following rate discount(s) apply: See Exhibit A Attached.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

			VECTOR PIPELINE L.P. By VECTOR PIPELINE, LLC As General Partner (Transporter)
Date: _	4/24/06		By: Craig R. Fishbeck
			Title: President
Date:	4/20/06	CJL	BAY STATE GAS COMPANY (Shipper) By: Michael Watson
		FJ FCO	Title: Vice President, Energy Supply Services

Exhibit A

To

Firm Transportation Agreement No. FTL-BAY-0003 Under Rate Schedule FT-L Between Vector Pipeline L.P. and Bay State Gas Company

Primary Term 11/01/2006 - 03/31/2007

Contracted Capacity: 5,000 Dth/day

Primary Receipt Points: Alliance Interconnect

Primary Delivery Points: Washington 10 Interconnect

Rate Election Recourse:

The Reservation Charge applicable to this service is \$3.6750/Dth/month (\$0.1208 per Dth on a 100% load factor basis), the Usage Charge applicable to this service is \$0.0592 per Dth all of which are exclusive of fuel reimbursement, Annual Charge Adjustment ("ACA") and any other future surcharges. Secondary points within the primary path and out of path secondaries from Washington 10 to Crown Point, Wheeler, La Porte, Guardian, ANR, Northern Border or Alliance are subject to the same rate as the primary path.

TRANSPORTATION AGREEMENT FOR LIMITED FIRM TRANSPORTATION (FT-L) OF NATURAL GAS VECTOR PIPELINE L.P.

Firm Transportation Agreement No. FTL-BAY-0004

This TRANSPORTATION AGREEMENT FOR LIMITED FIRM TRANSPORTATION OF NATURAL GAS ("Limited Firm Transportation Agreement" or "Agreement") is made and entered into this 14th day of February, 2006, between:

VECTOR PIPELINE L.P., ("Transporter"),

and

BAY STATE GAS COMPANY, ("Shipper")

WITNESSETH: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Rate Schedule FT-L and the applicable General Terms and Conditions of Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission") as the same may be amended or superseded in accordance with the Rules and Regulations of the Commission.

Section 2. Representations and Warranties

- 2.1 Representations and Warranties of Transporter: Transporter represents and warrants that: (i) it is duly organized and validly existing under the laws of the State of Delaware and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions thereof; (ii) this Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; (iii) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court of authorities that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Agreement; and (iv) the execution and delivery by Transporter of this Agreement has been duly authorized by all requisite partnership action.
- 2.2 Representations and Warranties of Shipper: Shipper represents and warrants that: (i) it is duly organized and validly existing under the laws of

the State of Massachusetts and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions hereof; (ii) there are no actions, suits or proceedings pending, or to Shipper's knowledge, threatened against or affecting Shipper before any court or authorities that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Agreement; and (iii) the execution and delivery by Shipper of this Agreement has been duly authorized by all requisite corporate action.

Section 3. Term

- 3.1 This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on November 1, 2006 for a term of 5 months, unless otherwise agreed by mutual agreement of the parties.
- 3.2 Shippers paying negotiated rates may extend the term of this Agreement under terms acceptable to Transporter.

Section 4. Rates

Shipper shall pay the Recourse Rates in accordance with Transporter's currently effective Rate Schedule FT-L.

Section 5. Notices

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Transporter's Web Site, or to:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President

Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Bay State Gas Company 1500 165th Street - GOC Hammond, IN 46324

Attention: Manager, Scheduling and Accounting

Phone: (219) 853-4320 Fax: (219) 853-4330

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline L.P." and shall be sent to the following bank and account number:

Vector Pipeline L.P. LaSalle Bank N.A. Chicago, IL Account Number: 5800233859 ABA Number: 071000505

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President

Section 6. Superseded Agreements

This Agreement supersedes and cancels as of the effective date hereof the following agreements: None.

Section 7. Miscellaneous

- 7.1 This Agreement shall be interpreted according to the laws of the State of Michigan.
- 7.2 Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or

3 FTL-BAY-0004

regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

- 7.4 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 7.5 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.
 - Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.
- 7.7 The parties hereby agree, subject to the primary jurisdiction of the Commission, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Detroit, Michigan, in accordance with the Rules of Commercial Arbitration of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect

documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of the State of Michigan, as specified in section 7.1 of this Agreement.

Section 8. Negotiable Terms

Transporter and Shipper mutually agree to the following terms and conditions of service under this Agreement. Where blank spaces are not filled in, the parties have not reached an agreement on that matter and the referenced provision of the General Terms and Conditions (GT&C) applies.

- 8.1 The delivery pressure terms in GT&C section 15.2 are modified such that all Gas delivered by Transporter to Shipper or on Shipper's behalf to the facilities of an interconnecting party shall be delivered at the Delivery Point(s) at no less than ___ psig or at no more than ___ psig for each enumerated Delivery Point.
- 8.2 Pursuant to GT&C section 27, the following rate discount(s) apply: See Exhibit A Attached.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

			VECTOR PIPELINE L.P. By VECTOR PIPELINE, LLC As General Partner (Transporter)
Date:	4/24/06		By: Craig R. Fishbeck
			Title: President
Date: ₋	4/20/06	CJL	BAY STATE GAS COMPANY (Shipper) By: Michael Watson
		FJ	Title: Vice President, Energy Supply Services

FCD)

Exhibit A

To

Firm Transportation Agreement No. FTL-BAY-0004 Under Rate Schedule FT-L Between Vector Pipeline L.P. and Bay State Gas Company

Primary Term: 11/01/2006 - 03/31/2007

Contracted Capacity: 18,000 Dth/day

Primary Receipt Points: Washington 10 Interconnect

Primary Delivery Points: St. Clair (US) Interconnect

Rate Election Recourse:

The Reservation Charge applicable to this service is \$1.3271/Dth/month (\$0.0436 per Dth on a 100% load factor basis), the Usage Charge applicable to this service is \$0.0214 per Dth all of which are exclusive of fuel reimbursement, Annual Charge Adjustment ("ACA") and any other future surcharges. Secondary points within the primary path and out of path secondary from St. Clair (US) Interconnect to Washington 10 Interconnect are subject to the same rate as the primary path.

FTL-BAY-0004

TRANSPORTATION AGREEMENT FOR FT-L FIRM TRANSPORTATION OF NATURAL GAS VECTOR PIPELINE LIMITED PARTNERSHIP

Firm Transportation Agreement No. FTL-BAY-C0004

This TRANSPORTATION AGREEMENT FOR FT-L FIRM TRANSPORTATION OF NATURAL GAS ("FT-L Firm Transportation Agreement" or "Agreement") is made and entered into this 14th day of February, 2006, between:

VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),

and

BAY STATE GAS COMPANY, ("Shipper").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Toll Schedule FT-L and the applicable General Terms and Conditions of Transporter's Gas Tariff on file with the National Energy Board ("NEB") as the same may be amended or superseded in accordance with the rules, regulations and legislation of the NEB.

Section 2. Term

- 2.1 This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on November 1, 2006 for a term of 5 months, unless otherwise agreed to by mutual agreement of the parties.
- 2.2 Shippers paying negotiated rates may extend the term of this Agreement under terms acceptable to Transporter.

Section 3. Tolls

Shipper shall pay negotiated toll in accordance with Transporter's currently effective Toll Schedule FT-L.

Section 4. Notices

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Transporter's Web Site (www.vector-pipeline.com), or to:

Vector Pipeline Limited Partnership c/o Vector Pipeline Limited 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 United States Attention: President

Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Bay State Gas Company 1500 165th Street - GOC Hammond, IN 46324

Attention: Manager, Scheduling and Accounting

Phone: (219) 853-4320 Fax: (219) 853-4330

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership" and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership Toronto Dominion Bank - Edmonton Edmonton, AB Account Number: 0701 0572337

Bank Code/Transit Number: 004-82389

Dailk Code/ Halisk Number: 004-0

SWIFT: TDOMCATT

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership c/o Vector Pipeline Limited 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 United States Attention: President

Section 5. Superseded Agreements

This FT-L Firm Transportation Agreement supersedes and cancels as of the effective date hereof the following agreements: None.

Section 6. Miscellaneous

- **6.1** This Agreement shall be interpreted according to the laws of the Province of Alberta.
- 6.2 Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 6.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.
- **6.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- **6.4** This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- **6.5** Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

- **6.6** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.
- 6.7 The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Calgary, Alberta in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Alberta, as specified in section 6.1 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

	VECTOR PIPELINE LIMITED PARTNERSHIP By VECTOR PIPELINE LIMITED As General Partner (Transporter)
4/34/06 Date	By: Craig R. Fishbeck
	Title: President
4/20/06 Date	BAY STATE GAS COMPANY (Shipper) By: Michael Watson
al FU FU	Title: Vice President, Energy Supply Services

Exhibit A

To

FT-L Firm Transportation Agreement No. FTL-BAY-C004 Under Toll Schedule FT-L Between

Vector Pipeline Limited Partnership and Bay State Gas Company

Primary Term: 11/01/2006 - 03/31/2007

Contracted Capacity: 18,991 GJ/d

Primary Receipt Points: St. Clair (Canada) Interconnect

Primary Delivery Points: Dawn Interconnect

Toll Election Negotiated:

The Reservation Charge applicable to this service is \$0.7783/GJ/month (\$0.0256 per GJ on a 100% load factor basis), the Usage Charge applicable to this service is \$0.0125 per GJ. Secondary points within the primary path and out of path secondary from Dawn Interconnect to St. Clair (Canada) Interconnect are subject to the same rate as the primary path.

TRANSPORTATION AGREEMENT FOR FIRM TRANSPORTATION OF NATURAL GAS VECTOR PIPELINE L.P.

Firm Transportation Agreement No. FT1-BAY-0121

This TRANSPORTATION AGREEMENT FOR FIRM TRANSPORTATION OF NATURAL GAS ("Firm Transportation Agreement" or "Agreement") is made and entered into this 14th day of February, 2006, between:

VECTOR PIPELINE L.P., ("Transporter").

and

BAY STATE GAS COMPANY, ("Shipper")

WITNESSETH: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Rate Schedule FT-1 and the applicable General Terms and Conditions of Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission") as the same may be amended or superseded in accordance with the Rules and Regulations of the Commission.

Section 2. Representations and Warranties

- 2.1 Representations and Warranties of Transporter: Transporter represents and warrants that: (i) it is duly organized and validly existing under the laws of the State of Delaware and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions thereof; (ii) this Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof; (iii) there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter before any court of authorities that might materially adversely affect the ability of Transporter to meet and carry out its obligations under this Agreement; and (iv) the execution and delivery by Transporter of this Agreement has been duly authorized by all requisite partnership action.
- 2.2 Representations and Warranties of Shipper: Shipper represents and warrants that: (i) it is duly organized and validly existing under the laws of the State of Massachusetts and has all requisite legal power and authority

to execute this Agreement and carry out the terms, conditions and provisions hereof; (ii) there are no actions, suits or proceedings pending, or to Shipper's knowledge, threatened against or affecting Shipper before any court or authorities that might materially adversely affect the ability of Shipper to meet and carry out its obligations under this Agreement; and (iii) the execution and delivery by Shipper of this Agreement has been duly authorized by all requisite corporate action.

Section 3. Term

This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on May 1, 2006 for a term of 11 months, unless otherwise agreed to by mutual agreement of the parties.

Shippers paying negotiated rates may extend the term of this Agreement under terms acceptable to Transporter.

Section 4. Rates

4.1 Shipper shall pay the Recourse Rates in accordance with Transporter's currently effective Rate Schedule FT-1.

Section 5. Notices

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper, at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Transporter's Web Site, or to:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President Fax: (734) 462-0231

2 FT1-BAY-0121

Notices to Shipper under this Agreement shall be addressed to:

Bay State Gas Company 1500 165th Street - GOC Hammond, IN 46324

Attention: Manager, Scheduling and Accounting

Phone: (219) 853-4320 Fax: (219) 853-4330

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline L.P." and shall be sent to the following bank and account number:

Vector Pipeline L.P. LaSalle Bank N.A. Chicago, IL

Account Number: 5800233859 ABA Number: 071000505

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline L.P. c/o Vector Pipeline, LLC 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 Attention: President

Section 6. Superseded Agreements

This Agreement supersedes and cancels as of the effective date hereof the following agreements: None.

Section 7. Miscellaneous

- 7.1 This Agreement shall be interpreted according to the laws of the State of Michigan.
- 7.2 Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or

regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 7.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

- 7.3 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.4 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 7.5 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.

The parties hereby agree, subject to the primary jurisdiction of the Commission, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Detroit, Michigan, in accordance with the Rules of Commercial Arbitration of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect

4

documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of the State of Michigan, as specified in section 7.1 of this Agreement.

Section 8. Negotiable Terms

Transporter and Shipper mutually agree to the following terms and conditions of service under this Agreement. Where blank spaces are not filled in, the parties have not reached an agreement on that matter and the referenced provision of the General Terms and Conditions (GT&C) applies.

The delivery pressure terms in GT&C section 15.2 are modified such that all Gas delivered by Transporter to Shipper or on Shipper's behalf to the facilities of an interconnecting party shall be delivered at the Delivery Point(s) at no less than ___ psig or at no more than ___ psig for each enumerated Delivery Point.

Pursuant to GT&C section 27, the following rate discount(s) apply: See Exhibit A Attached.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

	WECTOR PIPELINE L.P. By VECTOR PIPELINE, LLC As General Partner (Transporter)
Date: 4/34/06	By: Craig R. Fishbeck
	Title: President
Date: 4/25/06	BAY STATE GAS COMPANY (Shipper) By:
CUL FU FCD	Michael Watson Title: Vice President, Energy Supply Services

Exhibit A

To

Firm Transportation Agreement No. FT1-BAY-0121 Under Rate Schedule FT-1 Between

Vector Pipeline L.P. and Bay State Gas Company

Primary Term: 05/01/2006 - 03/31/2007

Contracted Capacity: 5,730 Dth/day

Primary Receipt Points: Alliance Interconnect

Primary Delivery Points: St. Clair (US) Interconnect

Rate Election Recourse:

The Reservation Charge applicable to this service is \$8.0908/Dth/month (\$0.2660 per Dth on a 100% load factor basis), exclusive of fuel reimbursement, Annual Charge Adjustment ("ACA") and any other future surcharges. Secondary points within the primary path and out of path secondary backhauls are subject to the same rate as the primary path.

TRANSPORTATION AGREEMENT FOR FT-1 FIRM TRANSPORTATION OF NATURAL GAS VECTOR PIPELINE LIMITED PARTNERSHIP

Firm Transportation Agreement No. FT1-BAY-C0121

This TRANSPORTATION AGREEMENT FOR FT-1 FIRM TRANSPORTATION OF NATURAL GAS ("FT-1 Firm Transportation Agreement" or "Agreement") is made and entered into this 14th day of February, 2006, between:

VECTOR PIPELINE LIMITED PARTNERSHIP, ("Transporter"),

and

BAY STATE GAS COMPANY, ("Shipper").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive service in accordance with the provisions of Transporter's effective Toll Schedule FT-1 and the applicable General Terms and Conditions of Transporter's Gas Tariff on file with the National Energy Board ("NEB") as the same may be amended or superseded in accordance with the rules, regulations and legislation of the NEB.

Section 2. Term

- 2.1 This Agreement shall be effective from the date hereof (the "Effective Date"). Transporter's obligation to provide Transportation Services and Shipper's obligation to accept and pay for such services, shall commence on May 1, 2006 for a term of 11 months, unless otherwise agreed to by mutual agreement of the parties.
- **2.2** Shippers paying negotiated rates may extend the term of this Agreement under terms acceptable to Transporter.

Section 3. Tolls

Shipper shall pay negotiated toll in accordance with Transporter's currently effective Toll Schedule FT-1.

Section 4. Notices

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered by certified mail or fax with all postage or charges prepaid, to either Transporter or Shipper at the location designated herein. Written communications shall be considered as duly delivered when received by ordinary mail. Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Notices to Transporter under this Agreement shall be addressed to Transporter's Web Site (www.vector-pipeline.com), or to:

Vector Pipeline Limited Partnership c/o Vector Pipeline Limited 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 United States

Attention: President Fax: (734) 462-0231

Notices to Shipper under this Agreement shall be addressed to:

Bay State Gas Company 1500 165th Street - GOC Hammond, IN 46324

Attention: Manager, Scheduling and Accounting

Phone: (219) 853-4320 Fax: (219) 853-4330

Wire transfer payments to Transporter shall be accompanied with the instructions "to credit the account of Vector Pipeline Limited Partnership" and shall be sent to the following bank and account number:

Vector Pipeline Limited Partnership Toronto Dominion Bank - Edmonton Edmonton, AB

Account Number: 0701 0572337

Bank Code/Transit Number: 004-82389

SWIFT: TDOMCATT

Remittance detail supporting wire transfer payments to Transporter, and any notice, request or demand regarding statements, bills, or payments shall be mailed to the following address:

Vector Pipeline Limited Partnership c/o Vector Pipeline Limited 38705 Seven Mile Road, Suite 490 Livonia, Michigan 48152 United States Attention: President

Section 5. Superseded Agreements

This FT-1 Firm Transportation Agreement supersedes and cancels as of the effective date hereof the following agreements: None.

Section 6. Miscellaneous

- **6.1** This Agreement **shall** be interpreted according to the laws of the Province of Alberta.
- 6.2 Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order decision, rule or regulation, at any time during the term of this Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this section 6.2 shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.
- **6.3** A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 6.4 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 6.5 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to Transporter.

- **6.6** Exhibit A attached hereto is incorporated herein by reference and made a part hereof for all purposes.
- The parties hereby agree, subject to the primary jurisdiction of the National Energy Board, that any dispute arising out of or relating to this Agreement, or any breach thereof shall be submitted to final and binding arbitration in Calgary, Alberta in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute. chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate their dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, neutral arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint the arbitrator(s). Any vacancies will be filled in accordance with the above procedure. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation, and the parties further expressly agree that any issue of arbitrability or the existence, validity, and scope of the agreement to arbitrate shall be decided by the arbitrators. The parties further agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. The arbitrators shall apply as the substantive law to the dispute the laws of Alberta, as specified in section 6.1 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in one or more counterparts, which counterparts shall constitute one integrated agreement, by their duly authorized officers effective as of the day first above written.

	VECTOR PIPELINE LIMITED PARTNERSHIP By VECTOR PIPELINE LIMITED As General Partner
4/24/06	(Transporter) By: A Leffel
Date	Craig R. Fishbeck
	Title: President
11/20/01	BAY STATE GAS COMPANY (Shipper)
9/ <i>J</i> -0/06 Date CJC	By: Michael Watson
CJC FJ FCD	Title: Vice President, Energy Supply Services

Exhibit A

To

FT-1 Firm Transportation Agreement No. FT1-BAY-C0121 Under Toll Schedule FT-1 Between

Vector Pipeline Limited Partnership and Bay State Gas Company

Primary Term: 05/01/2006 – 03/31/2007

Contracted Capacity: 6,045 GJ/d

Primary Receipt Points: St. Clair (Canada) Interconnect

Primary Delivery Points: Dawn Interconnect

Toll Election Negotiated:

The Reservation Charge applicable to this service is \$0.4623/GJ/month (\$0.0152 per GJ on a 100% load factor basis). Secondary points within the primary path and out of path secondary from Dawn Interconnect to St. Clair (Canada) Interconnect are subject to the same rate as the primary path.